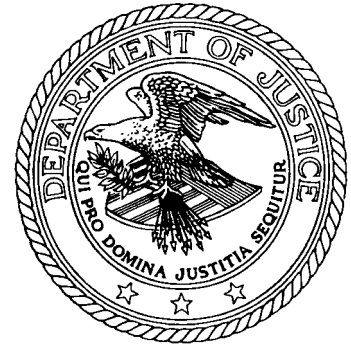


# ***NEWS RELEASE***

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***OFFICE OF THE UNITED STATES ATTORNEY  
SOUTHERN DISTRICT OF CALIFORNIA  
San Diego, California***

***United States Attorney  
Carol C. Lam***

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***For Further Information, Contact: Assistant U. S. Attorney Eric J. Beste (619) 557-5104***

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***For Immediate Release***

**NEWS RELEASE SUMMARY - September 29, 2004**

United States Attorney Carol C. Lam announced that Marcy Wilson Roke, the former Director of Advertising (Creative Services) of Advanced Marketing Services, Inc. ("AMS"), pled guilty today to a two-count Information charging her with conspiracy, in violation of Title 18, United States Code, Sections 371 and 1349, and one count of wire fraud, in violation of Title 18, United States Code, Sections 1343 and 2, in connection with her participation in a scheme to defraud AMS's customers. Roke entered her guilty plea in San Diego before the Honorable Nita L. Stormes, United States Magistrate Judge.

According to the Information, from in or about January 1999 through in or about July 2003, Roke held the position of Director of Advertising (Creative Services) at AMS, located at 5880 Oberlin Drive, San Diego, California. AMS, a wholesaler of books to membership warehouse clubs and specialty retailers, is a publicly-traded company that for fiscal year 2003 reported net sales of approximately \$911 million and net income before taxes of approximately \$18 million. Part of AMS's revenue – and a significant portion of its net income – came from promotional and advertising services that it allegedly performed for publishers,

such as direct-mail postcards or ads in magazines produced by AMS, in exchange for a negotiated fee.

As part of her plea, Roke admitted that she conspired with several employees at AMS, including the Vice President of Advertising and the Director of Advertising (Accounts), to engage in a scheme to increase the profitability of their department by using false and fraudulent representations and promises to induce publishers to pay for advertising promotions that AMS never provided. Roke also admitted that in one variation of the scheme, AMS employees would represent to publishers that AMS would print and mail specific numbers of direct-mail postcards promoting the sale of books, but that Roke and her coconspirators would fraudulently cut the number of postcards actually printed and mailed in order to inflate the profitability of its business. Similarly, AMS sold to publishers advertising space in magazines that allegedly had specific established levels of circulation, yet Roke and her coconspirators would print and distribute only a fraction of that number of magazines in order to reduce costs and increase profitability.

Approximately six months after the Federal Bureau of Investigation executed a search warrant at the offices of AMS, the company announced a restatement of its financial results for at least the past five years based in part on the improper activities of its advertising department. Pursuant to her plea agreement, Roke further admitted that numerous publishers suffered losses of approximately \$6,856,000 because of this scheme.

In announcing today's guilty plea, United States Attorney Lam said, "Employees of publicly-owned corporations have a duty to act responsibly and ethically toward their shareholders and customers. Corporate fraud of this type damages not only the victim corporations and their employees, but also the shareholders who bought and sold AMS stock unaware of this scheme." U.S. Attorney Lam noted that Roke was charged with offenses amended by the Sarbanes-Oxley Act of 2002, and that the investigation into the actions of AMS and its employees continues.

The case is the result of an investigation by the Federal Bureau of Investigation, San Diego Division, working cooperatively with a parallel civil investigation being conducted by the United States Securities and Exchange Commission, Division of Enforcement.

A sentencing hearing is scheduled before the Honorable Larry A. Burns on January 31, 2005.

**DEFENDANT**

Marcy Wilson Roke

**SUMMARY OF CHARGES**

Conspiracy (18 U.S.C. §§ 371 and 1349): Maximum punishment of 20 years' imprisonment, a fine of \$250,000, and three years' supervised release.

Wire Fraud (18 U.S.C. §§ 1343 and 2): Maximum punishment of 20 years' imprisonment, a fine of \$250,000, and three years' supervised release.

**AGENCIES**

Federal Bureau of Investigation, San Diego Division  
United States Securities and Exchange Commission, Division of Enforcement.